

Norphlet Chemical Inc.
Board Meeting
July 19, 2007

Members Present:

John Garrison	Jeff Garrison
Scott Reed	Fred Bates
Bob James	Don Dodson
W.L. Cook	Charles Long
Billy Spector	

Also present: David Henry, Vic Forte and Ronnie Jackson
Brian Brooks of Jones-Hamilton Co., Nelson Abell

John Garrison welcomed the board.

David Henry read the board minutes of the April 26, 2007 board meeting. Bob James made a motion to approve them as read with Jeff Garrison seconding. The motion carried. David then presented the June 30, 2007 financial statements. Jeff Garrison made a motion to approve the financial statements as presented with Fred Bates seconding.

John then introduced Nelson Abell. Mr. Abell had loaned the company \$1,500,000.00 for a ten (10) per cent interest in the company. The stock for the transaction was provided by John Garrison, Jeff Garrison and John Peterson. He said that there is the possibility of needing an additional \$500,000.00 and that Mr. Abell has been approached about a second loan. The Executive Committee met to review an offer of 10% interest, 2 year term and a four(4.0) interest a LLC for five years. Mr. Abell said he not interested in a term, so the offer was amended to be a permanent interest by company management. W.L Cook said this is not what was approved by the committee. John Garrison said it is not necessary because of the resolution that was passed at the shareholder's meeting June 16, 2006. Billy Spector and W.L. Cook expressed their opposition to any dilution. David then presented an offer that had been received from the Long Brothers. He said their offer was their bank loan rate, two years and 1% interest in the LLC for each \$100,000.00 drawn. David Henry said the estimated expenditures for August are \$450,000.00. After a lengthy discussion, Fred Bates made a motion to accept the Nelson Abell loan offer subject to need and as a capped interest in the LLC with Jeff Garrison seconding. The motion carried with Charles Long, Billy Spector and W.L. Cook abstaining.

W.L. Cook then presented a deferred compensation proposal to compensate John Garrison, Jeff Garrison and John Peterson for the personal stock that they contributed to the Nelson Abell \$1,500,000.00 loan. The agreement was approved by the Executive Committee on June 21, 2007. Scott Reed seconded the motion. The motion carried.

John then gave a status of the project. He said that we expect to start the plant after August 2, 2007. He said that he thinks there is a 50/50 chance of the plant starting up with no problems. The HCL should be sellable immediately and R134a should be on spec within 30 days if there are problems at start-up. Vic Forte said that 8 of the 14 contract welders left last week, with three more leaving this week. He said E&I work is 80% complete and we have passed the safety testing from our HF provider. The x-ray inspection has been completed with excellent results. He said we will start the plant at 25% capacity and be at full capacity within 24 hours if we have no problems. John then gave an update on the market analysis, pricing and market share.

With no other business, the meeting was adjourned.

Respectfully submitted

David W. Henry
Secretary of the Board